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Preliminary Ideas for a European Social Statistics Action Plan\*  
(Provisional)

by

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\*\* Eurostat. The views expressed in this report are those of the authors and do not imply the expression of any opinion on the part of the United Nations Secretariat.

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European Social Statistics Action Plan  
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**1. The Lisbon process - a long term challenge for Social Statistics at European level<sup>1</sup>**

**1.1. The political dimension**

The Lisbon summit of March 2000 is a milestone in European Policy as a multi-dimensional interactive policy covering macroeconomics, employment and social life (later on supplemented by environment) has been linked with (quantitative) targets up to the year 2010. Economic performance and social cohesion are not seen as mutually exclusive but mutually reinforcing objectives between which a new equilibrium has to be found.<sup>2</sup> The basic aims have been summarised under four headings:

- To establish an inclusive, dynamic and knowledge based economy,
- To produce accelerated and sustained economic growth,
- To restore full employment as the key objective of economic and social policy, and reduce unemployment to the levels already achieved by the best performing countries, and
- To modernise the social protection systems.

Two main policy strands have been identified as the key to the achievement of these goals:

- To pursue economic reform to prepare the knowledge economy, and
- To strengthen the European social model by investing in people, both with full co-ordination at European, national, regional and local level.

The European social model is supposed to be best suited to deal with the effects of the economic changes in social life. The key is to put people at the centre of social policies through

- Investing in people, increasing knowledge and skills,

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<sup>1</sup> For more details see for example "The Lisbon European Council - an Agenda of Economic and Social Renewal for Europe", Contribution of the European Commission to the Special European Council in Lisbon, 23 - 24<sup>th</sup> March 2000, document DOC/00/7.

<sup>2</sup> See Vandembroucke, F., The EU and social protection: what should the European Convention propose? - Paper presented at the Max Planck Institute for the Study of Societies, 17 June 2001, Cologne, p. 7.

- Establishing life-long learning for life-long opportunities,
- Ensuring full participation in society,
- Helping the workforce to become more adaptable,
- Making social protection more sustainable and "active" to deal with an ageing population, and
- Ensuring equality of opportunity.

Achieving these targets will significantly reduce unemployment and close identified employment deficits, i.e. the gender gap, the service gap, marked regional imbalances, long term structural unemployment, the skills gap and the age gap.

The European social model covering all aspects of the life course of human beings is able to cope with all these aspects as it provides the theoretical framework for the development of a population through the different stages of social life over time. This model is comprehensive and able to show the interdependencies between its different elements. Just to give a few examples, it is able to reflect the ageing of a population over time and its increases or decreases through migration (including their effects on other elements of the social cycle), its exposure to education and employment (incl. unemployment) processes leading, amongst others, to social inclusion or exclusion, social protection or pension rights, its exposure to health risks etc.

## **1.2. The statistical challenge**

The Lisbon summit at the same time established a path-breaking new working method, the 'open method of co-ordination'. Its core is a benchmarking review process of national action plans with the objective of mutual stimuli and learning processes. As in all peer reviews, this approach requires comparable and commonly agreed indicators to monitor progress, enable evaluations and prepare recommendations for improvement actions by the European Commission and the Council.<sup>3</sup> The need for such indicators led to inventories of available national indicators<sup>4</sup>, with the risk of additional harmonisation demands, and the establishment of shopping lists of harmonised indicators at European level - a new challenge for official statistics at European level.

On the supply side, an impressive progress in social statistics can be observed at European level in the last decade or so, including the production of a range of core indicators (e.g. social structural indicators) and the availability of the underlying statistical surveys at European level such as the Labour Force Survey (LFS), the European Community Household Panel (ECHP) and the time-use survey, or national

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<sup>3</sup> For more details see for example Vandenbrouke, F., p. 9.

<sup>4</sup> An example is the report about indicators of national action plans for the fight against poverty and social exclusion by the 'Observatoire Social Européen' from September 2001.

surveys with strong harmonisation efforts which are all able to serve as a source for additional indicators. All these achievements were only possible due to the strong efforts of all key players in the European Statistical System (ESS), covering the national statistical systems and Eurostat.

Despite all these efforts, reality shows that existing statistics are not sufficient to satisfy current and already now identified future additional needs. Caused by the Lisbon process, policy makers at all levels require better, more detailed and more timely data as well as they require additional information. Social Statistics at European level therefore need to be expanded in two different directions. Firstly, the quality, and here particularly accuracy, comparability across countries, regions and over time and coverage of existing data, has to be improved. Secondly, additional needs have to be satisfied without, however, the basic data being necessarily available from existing sources. These needs are a core challenge for the ESS and particularly the European System of Social Statistics (ESSS) in line with the new principle of 'First for Europe'.

A traditional approach to such additional data requests is to ask for additional human resources and to plan more surveys at European or national level. It will be shown that the objective of delivering all necessary information can also be achieved through other means. It goes without saying that some additional resources are necessary but the solutions proposed below require by far less than in a more traditional approach. The ESSS has to demonstrate that it is capable to deal with new challenges without increasing the response burden of the respondents proportionally.

The proposals could be summarised under the title of a 'European Social Statistics Action Plan'. This plan consists of two parts relating to the improvement of quality of existing data and to the production of additional data. Both elements are described in more detail in the following two sections.

## **2. Part I of the action plan: improvement of existing statistics**

The basic problem is well known in all statistical areas and therefore also exists in social statistics at European level. Basic data is available but, looking at their features in more detail, show more or less strong weaknesses. Data might not be fully up-to-date (or not in line with legal requirements), data might not be complete with respect to the required breakdowns (for example with respect to region and urban area), the accuracy of data might not be in line with international or agreed standards, (survey as well as administrative) data might not be coherent with standard definitions, classifications or related statistics such as National Accounts, data of different sources might be difficult to link though referring to the same units etc. Though basically available, such data can nevertheless not be fully used for policy requirements. As a consequence, improvement actions for existing statistics should be launched.

Such improvement actions are the day-to-day business of all statisticians at European as well as at other levels. Recent examples of Eurostat are the paper on the integrated

system of earnings and labour cost statistics<sup>5</sup> or the presentation of Antonio Baigorri on 'Steps on further harmonisation of European Union (EU) unemployment and employment statistics' at the forthcoming Session 2003 of the International Statistical Institute (ISI) in Berlin.

Part I of the action plan is the proposal to better co-ordinate such efforts leading to an integrated action plan as it was successfully developed and implemented in the area of European Monetary Union (EMU) related statistics through the 'Action Plan on EMU Statistical Requirements'. In more concrete terms, it is proposed to establish an inventory of all existing problems in social statistics. The future Member States have to be fully integrated in this exercise. The identified problems should be structured by topic and country/Eurostat and then prioritised according to expressed user needs by the DSS (Directors of Social Statistics) with the help of Domain Specific Groups (and Working Groups if still existing). The result should be a set of (voluntary) commitments for actions of all Member States/Accession Countries and Eurostat by area of social statistics to be presented to the Council for approval, leading to improvements in social statistics in the Member States and at European level. If appropriate, existing legal acts should be updated accordingly, including the possibility of establishing a framework legal act for social statistics in order to improve the flexibility for future legal acts on specific topics. The implementation of the actions should be followed up and reported once a year to the Council. A precise timetable needs to be developed. Current plans assume a project period up to the year 2010, which would be in line with the Lisbon strategy.

### **3. Part II of the action plan: fulfilment of additional user needs**

#### **3.1. Basic considerations**

The basic philosophy of part II of the proposal is that the ESSS should be more pro-active with respect to additional data and indicator needs. The proposed new structure and working mode for the ESSS will serve as the ideal platform, for example through the (better) involvement of core users in the Strategic Development Group and in the Domain Specific Groups, or through their participation in conferences, seminars etc. But Eurostat should also become more pro-active, for example through more bilateral meetings with (core) users including Service Level Agreements or its participation in international conferences on new developments in social statistics etc.

New challenges have already been explicitly expressed or are to be raised in the coming years. A core issue of social statistics at European level is that future user needs are neither stable over time nor do they follow just one specific model. Future data needs are expressed on the follow-up of general policies such as the Lisbon process, or for quickly arising targeted individual measures. Social statistics at European level have to fulfil needs of European as well as national and regional policy makers and, at the same time, they have to satisfy basic needs of all European citizens. They have to be targeted to individual aspects such as the higher education system, but at the same time they have to

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<sup>5</sup> See doc. Eurostat/E0/03/DSS/6/5/EN.

be capable of identifying links inside and between different areas such as education and health. The consequence is that not just one, perhaps even very large set of indicators, but a very flexible system of basic (multi-purpose) information should be established which can be used to produce summary information in form of input, output or throughput indicators and which allows at the same time detailed analysis for example of interactions between different areas.

A typical example for the complexity of already now expressed future needs was a talk of a core user at a recent meeting of EU Directors of Social Statistics. He requested for the nearer future structural information on job vacancies, working poverty, access to essential services, indebtedness, undeclared work, statistics on labour mobility, the measurement of literacy and numeracy, indicators on quality of work or 'reliable' information of wage formation systems. In addition, he showed interest in more in-depth analytical work on tax and benefit systems and their relation to labour force participation, unemployment and poverty, on the link between education systems, recruitment processes, work organisation and wage formation processes or on the relations between employment legislation and labour market dynamics, just to mention three. Other users have highlighted other priorities for their work, including topics such as (victims of) crime, mobility and particularly long-term commuters, disability, health reporting systems, new health diagnosis and treatments, childcare, care for the elderly, social capital, new patterns of working and living, homelessness, or pension systems. This list could be expanded considerably without forgetting that priorities might change with the arrival of the new Member States and their influence on the way of thinking in terms of social policy.

Different possibilities exist to respond to such new challenges, including a better exploitation of existing data sources, linking different data sources and other means. To some extent follow these ideas the approach at political level, i.e. the idea of the open method of co-ordination is at least partly also followed in the field of statistics. Basic considerations on these possibilities are presented in the following paragraphs.

### **3.2. Better exploitation of existing data sources**

Two types of data sources have to be distinguished, i.e. data sources available in Eurostat (particularly LFS, the time-use survey, ECHP and later Statistics on Income and Living Conditions (EU-SILC)) and data sources available in the Member States.

Data sources available in Eurostat might be better exploited. Micro data sets such as the LFS or ECHP suffer from fairly low numbers particularly for smaller sub-populations making it seemingly impossible to produce estimations for such sub-populations. One solution for a better usage of these sources is through the application of modern statistical methodology. Concrete examples are small area estimation techniques (despite the name, the techniques can be applied to all small sub-populations) or different variance estimators via re-sampling techniques such as bootstrapping or jack-knifing. The effect of their application would be that sufficiently accurate estimations could be produced for small (sub-) populations or variables with low item response rates. Co-operation projects

with academic researchers might be launched to exploit the possibility of the use of such techniques for official social statistics.

Data sources, which are available in the Member States or in (other) European Institutions, might be of specific interest when it comes to requests not yet covered through Eurostat statistics. Though presumably not fully harmonised and fully comparable, results of surveys carried out by national institutions (such as ministries or national research institutions as in the case of the European Social Survey), by other services of the European Commission (such as Euro-Barometer) or other European institutions (such as the European Foundation for the Improvement of Living and Working Conditions) might be a starting point for the development of better harmonised statistics at European level through a flexible integration into existing systems. The ESSS might benefit in this respect from the experience of Eurostat, certain National Statistical Institutes (NSIs) or ministries (an example is the experience of the national statistical institute of the United Kingdom (ONS) in the field of social capital measurement) and knowledge of the academic world. Depending on the foreseeable importance, one could imagine to create 'Excellence Centres' in some NSIs to closely follow the development in the areas under consideration and to present plans for (harmonisation) actions to get first, though rough figures at European level. Such first estimations of course have to fulfil minimum quality standards to be defined beforehand.

### **3.3. Linking different data sources**

Some user requirements cannot be satisfied through a better exploitation of unique sources but only through a link of different data sources. Examples are the link between poverty and health, social effects of the free movement of workers or wages and wage formation and their link to the structure of the workforce and the enterprises. Such connections are basically possible through (basic modules of) multi-purpose surveys such as LFS or EU-SILC or when joint information exists in different data sources, such as a common identifier in micro data sets as the ideal case. There might however also exist possibilities to link different data sources without common identifiers for example through summary information about joint variables (example: social protection and National Accounts). Co-operation projects with the academic world might help in this respect to find possible ways to combine different data sources before such techniques are applied in official European statistics to satisfy urgent user needs.

### **3.4. Other means**

The use of existing data sources might not be sufficient in all cases. Some new data needs might require additional surveys such as longitudinal surveys or the expansion of existing surveys such as the development of ad-hoc modules in the LFS. This option should however only be used if there is evidence that no other solution with existing means is possible.

Some user needs do not refer explicitly to (sets of) indicators but require basic (micro or macro) data for example for modelling, for the analysis of links between different

variables etc. In such cases, appropriate data sets might be made available to users, of course respecting rules of confidentiality. A current good example is the ECHP database.

In the long run, one might consider establishing a Eurostat Social Statistics Data Warehouse. Through such a data warehouse, consisting of a large variety of available data, certain types of requests could be satisfied to a large extent by the users themselves as the necessary modelling, estimations, indicators, etc. can be done by them directly. Such a data warehouse might, however, also be used by Eurostat or its contractors to better exploit existing data with respect to new demands.

Data warehouses as well as some other proposals made might require a rethinking of some of Eurostat's general dissemination rules.

#### **4. First experiences with action plan elements**

Eurostat is far away from implementing this action plan. The current objective is to further develop it in the near future, to get it approved by all stakeholders and to implement and follow it up afterwards. Nevertheless, certain elements already exist and will contribute to its successful implementation. Here are just a few examples.

One core aspect concerns cross-sector projects and their implementation strategies. Depending on what 'cross-sector' means, multi-purpose surveys such as the LFS or the ECHP contribute significantly to cross-sector aspects as they include variables of different 'sectors' and make therefore the link between different sectors possible. First experiences also exist on the link between different data sources as could be seen for example from the recent feasibility study on homelessness.

Cross-sector considerations create specific methodological challenges on data collection methods, survey designs or links of databases. Though Eurostat is not involved in concrete data collection exercises itself, quite a number of tools ('tool-boxes') exist to facilitate their successful implementation. Outstanding examples are common definitions and classifications, which, if applied correctly, make a direct comparison of the results of different surveys possible.

Cross-sector approaches particularly at international level require appropriate harmonisation and co-ordination mechanisms. Eurostat has a lot of experience in this area. It is part of Eurostat's core activities to steer projects on the harmonisation of definitions, concepts and classifications at European level. These harmonised elements are an indisputable part of any kind of output harmonisation as Eurostat currently practises it. Harmonisation is only possible through appropriate co-ordination mechanisms. Eurostat has different tools such as bodies like the Statistical Programming Committee, Working Groups etc. This structure is at least in the area of social statistics currently under revision to make the system fit for the enlargement of the European Union and might therefore also serve as input for similar considerations of other



international bodies. Eurostat believes that the basic mechanisms are already in place and only need to be applied consistently.

Co-ordination mechanisms are also necessary between different inter- and supranational institutions. Well-known mechanisms are bodies such as the Conference of European Statisticians, meetings between such institutions organised by the United Nations and its regional sub-organisations etc. But additional mechanisms might be necessary such as the development of codes of conducts between the different organisations, including national bodies. An outstanding example concerns joint data collection efforts via regional international organisations.

## **5. Conclusion**

New statistical challenges require a different approach of the European System of Social Statistics. In order to better and more flexibly satisfy current and future user needs, Eurostat and its partners in the Member States have to be more pro-active. The proposed elements for a future action plan are a first answer. Future discussions will show to which extent the proposals are realistic. The objective is to present a first draft of such an action plan at the forthcoming meetings of the Directors General of the National Statistical Institutes at their meeting in September 2003. It is not known to which extent the different proposals can be implemented in practice. But actions are unavoidable in order to do a proper job. And this proper job should be done in close co-operation not only with Eurostat's stakeholders in the EU but also with all partners at international level.